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House Passes Critical Flood Insurance Legislation

Matsui Language Included in Flood Insurance Reform Priorities Act Are Win-Win for Sacramento

WASHINGTON, D.C. – Today, the U.S. House of Representatives passed H.R. 5114, the Flood Insurance Reform Priorities Act of 2010. This bill includes two provisions sought by Congresswoman Matsui that are critically important to flood zone designations and the cost of flood insurance in the Sacramento region. Representative Matsui has fought for several years on behalf of Sacramento homeowners, to implement these changes – together with the completion of the 200-year levee work going on in the Natomas Basin – would bring down insurance rates and improve public safety. Rep. Matsui continues to make flood control her top priority.

“As many of my colleagues can attest, providing the security and safety of the Sacramento region is my number one priority in Congress,” Matsui said on the House floor today while managing debate on H.R. 5114. “And even as we near passage of provisions I have been working tirelessly on for the last year, I will continue to advocate for the people of Sacramento – the most at-risk river city in the country. I am proud to be part of the solution and to help make sure residents of Sacramento – and other flood-prone communities around the country – can afford to purchase the flood insurance they need to protect their homes and businesses.”

Congresswoman Matsui has repeatedly sought a modernization of federal flood zone designations. Current federal policy does not always take into account local and state spending on levee improvements. By 2011, the Sacramento Area Flood Control Agency (SAFCA) and the State of California will have spent upwards of \$350 million repairing Natomas’ levees, however FEMA’s current flood zone certification process does not always take that local and state funding into account. Last year, Matsui introduced H.R. 1525, which would fix this problem, and has been included in H.R. 5114.

The Congresswoman is also well aware of the financial strain full priced mandatory flood insurance is putting on her constituents. This spring, she [testified in support](#) of provisions that would reduce the shock of higher insurance rates by phasing them in over five years and to make such a provision retroactive to areas that have already been remapped. Under H.R. 5114, after an area is remapped rates would increase 20% a year for five years from the low Preferred Rate Policy plans until they reach full actuarial value, as opposed to jumping to \$1,300 overnight. This provision is

[retroactive to September 2008](#)

, meaning, if enacted, lower flood insurance rates for Natomas homeowners are within reach.

The Flood Insurance Reform Priorities Act would also reauthorize FEMA's National Flood Insurance Program (NFIP) to enter into and renew flood insurance policies through fiscal year 2015, providing certainty to our recovering housing market that flood insurance will be available. The bill would implement other essential reforms to ensure the fiscal sustainability of the NFIP.

Two other items of note to Sacramento homeowners is that this legislation allows low-income homeowners to pay flood insurance premiums in installments (as opposed to one lump sum) and raises maximum coverage limits for flood insurance policies. New coverage limits are \$335,000 (up from \$250,000) for residences; \$135,000 (up from \$100,000).

"In my district, current maps placed Natomas in an AE flood zone and triggered the Federal requirement to carry flood insurance for these homeowners," Matsui said. "SAFCA is working with the Corps of Engineers and the California Department of Water Resources to implement an aggressive and ambitious levee improvement plan to achieve a 200-year level of flood protection. In keeping with this objective, H.R. 5114 would make certain that responsible homeowners across the country continue paying into the NFIP without adding risk to the floodplain."

The NFIP was last reauthorized in 2004, prior to Hurricane Katrina. Authorization for the NFIP lapsed in 2008, and since then it has been sustained by a series of temporary extensions, which has caused uncertainty in the recovering housing market. The current extension is set to expire at the end of September of this year.

Flooding is the most common natural disaster in the United States. The NFIP is the primary source of reliable, affordable flood insurance, providing 95 percent of the nation's flood insurance policies, with covering 5.6 million households and insuring \$1.2 trillion in property. The NFIP must be reauthorized so homeowners and businesses can obtain affordable insurance before a catastrophe occurs.

The Flood Insurance Reform Priorities Act of 2010 now goes to the Senate for consideration.

To watch the video of Congresswoman Matsui managing debate on the House floor today and other videos relevant to her work on increasing Sacramento's level of flood protection, please visit her YouTube channel: http://www.youtube.com/view_play_list?p=783460B021DFFBD9

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